

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of the  
Alexandria Board of Public Works to  
Extend its Assigned Service Area into the  
Area Presently Served by Runestone  
Electric Association

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PREHEARING ORDER

The above-entitled matter came on for a prehearing conference by telephone on December 6, 1995, before Administrative Law Judge Phyllis A. Reha.

Andrew J. Shea and Richard L. Evans, Attorneys at Law, McGrann, Shea, Franzen, Carnival, Straughn and Lamb, Chartered, 2200 LaSalle Plaza, 800 LaSalle Avenue, Minneapolis, MN 55402-2041 appeared on behalf of the Alexandria Board of Public Works (Alexandria). Harold LeVander, Jr., Attorney at Law, Maun and Simon, PLC, 2300 World Trade Center, 30 East Seventh Street, St. Paul, MN 55101-4904 appeared on behalf of Runestone Electric Association (Runestone). Katherine L. McGill, Assistant Attorney General, Business Regulation Section, Suite 1200, 445 Minnesota Street, St. Paul, MN 55101-2130 appeared on behalf of the Minnesota Department of Public Service (Department). W. Stuart Mitchell, Rate Analyst, Minnesota Public Utilities Commission, Suite 350, Metro Square Building, 121 Seventh Place East, St. Paul, MN 55101-2147, appeared on behalf of the staff of the Minnesota Public Utilities Commission (Commission).

Discussion was held among the participants in the prehearing conference, and counsel were directed to propose hearing dates and attempt to agree on a test year and report this information back to the Administrative Law Judge at which time the Administrative Law Judge would issue a Prehearing Order. Having considered all of the argument, comments and information, the Administrative Law Judge makes the following Prehearing Order:

## ISSUES

1. Alexandria has petitioned the Commission pursuant to Minn. Stat. § 216B.44 (1994) to extend its assigned electric service area within its corporate boundaries to serve an area of approximately 51.5 acres of land which is within the assigned service territory of Runestone. The purpose of this contested case proceeding is to determine the compensation due Runestone for the Alexandria's proposed acquisition of the specified portions of Runestone's service territory based upon the following factors: (1) the original cost of any property acquired by the Municipality; (2) depreciation on such property; (3) loss of revenue by the displaced utility; (4) expenses resulting from integration of facilities; and (5) other appropriate factors. The contested case hearing will determine the issues in this case pursuant to Minn. Stat. §§ 216B.39.

2. Hearings in this matter will be conducted in accordance with the Administrative Procedure Act sections 14.57 through 14.62; the rules of the Office of Administrative Hearings, Minn. Rules, pt. 1400.5100 to 1400.8400; and, to the extent that they are not superseded by those rules, the Commission's Rules of Practice and Procedure, Minn. Rules, pt. 7829.0100 to 7829.3200.

## INTERVENTION

1. Persons wishing to become formal parties to this proceeding shall file petitions to intervene with the Administrative Law Judge and shall serve copies of such petitions on all current parties and on the Commission pursuant to Minn. Rules, pt. 1400.6200. Petitions to intervene will be considered timely if filed with the Administrative Law Judge and appropriately served by March 15, 1996.

## DISCOVERY

1. All requests for information shall be made in writing to the person from whom the information is sought with a copy of the request mailed to all parties of record. No such request shall be provided to the Administrative Law Judge. The party responding to the information request shall provide the information requested to the requesting party within ten (10) days after the receipt of the request. The information need not be supplied as a matter of course to all other parties. In the event the information cannot be supplied within ten days, the responding party shall notify the requesting party and their counsel in writing within five (5) days of the request of the reasons for not being able to supply the information and to work out a schedule of compliance with the requesting party. All disputes concerning the reasonableness of discovery requests and the timing and sufficiency of responses shall be resolved by the Administrative Law Judge upon motion of a party.

2. Further discovery may be had herein in accordance with Minn. Rules, pt. 1400.6700 through 1400.6900.

3. All discovery must be completed by April 15, 1996 unless the parties agree to extend the deadline by stipulation.

## HEARING SCHEDULE

1. The hearing in this matter shall commence on Monday, August 5, 1996 at 1:30 p.m., at a location to be designated at a later date in Alexandria, Minnesota. The hearing will continue at the same time and location on August 6, 7, 8 and 9, 1996, unless the hearing is concluded earlier.

2. If additional hearing dates are necessary, they will be determined and announced at the contested case hearing.

#### PREFILED TESTIMONY

1. All prefiled direct testimony shall be served and filed by June 3, 1996.
2. All prefiled rebuttal testimony shall be served and filed by June 28, 1996.
3. All prefiled surrebuttal testimony shall be served and filed by July 19, 1996.

#### SETTLEMENTS

1. Pursuant to Minn. Rules, pt. 1400.5900, informal disposition may be made of the contested case or any other issue therein by stipulation, agreed settlement, or consent order at any point in the proceedings. Any such consent order, settlement, or stipulation shall be filed with the Administrative Law Judge as soon as possible. The parties are also requested to keep the Administrative Law Judge informed of the status of any settlement negotiations.

2. Settlement negotiations should not delay the starting date of the hearing unless the parties agree that there is a significant likelihood that the case will resolve if given additional time to complete negotiations.

#### ORDER OF TESTIMONY

1. The order of testimony in this proceeding will be Alexandria proceeding first, followed by Runestone, the Department, and lastly the Commission.

2. The parties may present oral rebuttal testimony of witnesses that were first revealed in the parties' prefiled surrebuttal testimony.

3. Flexibility will be maintained in the order of witnesses who might be unavailable at certain times and dates.

#### COURT REPORTER AND TRANSCRIPTS

1. The Administrative Law Judge will arrange for a court reporter to record the proceedings.

#### FILED DOCUMENTS

1. All documents, excluding information requests, and responses or other discovery conducted pursuant to Minn. Rules, pt. 1400.6700 shall be filed as follows:

2. Fifteen (15) copies of each document shall be filed with the Commission's Executive Secretary for distribution among the Commissioners and Commission staff by

delivery or mailing to: Burl W. Haar, Executive Secretary, Public Utilities Commission, 121 East 7th Place, Suite 350, St. Paul, Minnesota 55101.

3. Prior to the issuance of the Report of the Administrative Law Judge, the original document and one copy shall be filed with the Office of Administrative Hearings by delivery or mailing to: Phyllis A. Reha, Administrative Law Judge, Office of Administrative Hearings, 100 Washington Square, Suite 1700, Minneapolis, Minnesota 55401-2138.

4. One copy shall be served personally or by mail on the attorney for each party of record.

5. Four copies shall be filed with Roxanne Colby, Docket Coordinator, Department of Public Service, 200 Metro Square Building, 121 Seventh Place East, St. Paul, Minnesota 55101.

6. Other copies shall be served as reflected in the official service list which is attached hereto and incorporated by reference.

7. Following the Report of the Administrative Law Judge, original documents shall be filed with the Executive Secretary of the Minnesota Public Utilities Commission. A copy may be filed with the Office of Administrative Hearings.

8. Pursuant to Minn. Rules, pt. 1400.5100, the effective date of filing shall be the date the document is mailed to the Administrative Law Judge or the Executive Secretary at the Commission.

#### TEST YEAR

1. The parties are in agreement that a 1995 test year should be used as the base data in this proceeding.

#### MISCELLANEOUS

1. Other procedural matters not contained in this Prehearing Order may be resolved during future prehearing conferences upon the request of any party or the Administrative Law Judge in accordance with the procedural rules of the Office of Administrative Hearings.

2. This Order is effective immediately and shall be modified for good cause shown or upon reasonable stipulation of the parties.

Dated this 26th day of February, 1996

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PHYLLIS A. REHA  
Administrative Law Judge